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TRIP REPORT

Vietnam and Cambodia

July 1-3, 1972

SUMMARY OF THE MILITARY SITUATION

It is now clear that the NVA offensive launched on March 30 will be defeated. Hanoi will certainly continue to press its campaign, but its options are limited. The beating that the main force VC/NVA units have taken coupled with the loss of heavy weapons limits his offensive punch. Another push toward Hue or Kontum or further efforts to gain control over populated areas of Binh Dinh or the Delta may develop. But a new major offensive effort is beyond Hanoi's ability.

ARVN has begun to take the initiative, with the counteroffensive against Quang Tri providing the most dramatic illustration of the NVA's inability to consolidate or retain its earlier gains.

ARVN counter-offensive efforts in MR's II and III are disappointing to date, although the trend in both those areas is positive.

The situation in the populated heartland of the Delta has remained relatively unaffected by the offensive and, as a general rule, there have been surprisingly few pacification setbacks compared to Tet 1968.

In terms relative to ARVN, the NVA are now extremely weak. Although they continue to infiltrate replacements, the quality of their infantry has declined sharply and ARVN is no longer intimidated by their armor. Many recently captured NVA are young and inexperienced with reports that some have only had rudimentary training.

Views differ as to how long it will be before Hanoi will again be able to mount a conventional offensive of this sort against South Vietnam. One competent South Vietnamese general predicted 5 to 10 years. Desmond Palmer, Sir Robert Thompson's assistant, believes that this is the last time we will witness this sort of conventional onslaught in the Indochina conflict.

These projections may be grossly over-optimistic. But one thing is certain: Saigon has been given a new lease on life. It must now use the time we have bought for it to overcome the remaining shortcomings in its military leadership and force structure. If it does then it can probably attain a position

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of self-sufficiency and strength which will deter Hanoi from again pursuing a conventional military victory. Over time, just as we have phased out our ground forces, we should be able to phase out our massive contribution of fire power.

Against this background of a generally favorable situation, four serious military problems require attention:

-- The quality of military leadership which is uneven. Political loyalty is still more highly rewarded than demonstrated military competence, although the offensive has forced Thieu to advance some men strictly on the basis of their merit.

-- The structure and mobility of the ARVN forces which has remained essentially the same during the past 8 years despite changing conditions. ARVN needs more elite and mobile reserve units to meet and overpower the enemy wherever he may strike. Regular divisions' territorial missions can progressively be taken over by territorials. It is not a question of more manpower, but of greater efficiency in its use which should ultimately even result in a reduction of the overall size of the armed forces.

-- The rapidly developing VC/NVA air defenses which have severely limited our freedom to use the air. This may cause major changes in the way we fight the war.

Finally, ARVN needs some increase in its own organic air and longer range artillery firepower so that, combined with the improved efficiency in utilization of its manpower resources, the U.S. can phase down its present overwhelming contribution of firepower.

THE SITUATION BY REGION

Military Region I - An operation spearheaded by the RVNAF's elite Airborne and Marine divisions is currently underway to recapture Quang Tri. Thus far enemy resistance has been light and General Truong is confident of early success.

The operation leaves the defenses of Hue somewhat exposed on the western flank but Hue remains defended by the 1st Division, considered the best regular division in the country. Both the division and Corps commander are confident that the enemy cannot successfully assault Hue frontally although they do not discount the prospect of sapper attacks or harassment by artillery.

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An indication of popular confidence in ARVN performance is the fact that Hue's population has now returned to about 85% of its pre-offensive level, although the resumption of shelling could influence this confidence.

Military Region II - The situation in MR-II has stabilized. ARVN has retaken the initiative in Kontum where the enemy has suffered a serious defeat.

The situation in the populous coastal province of Binh Dinh is pivotal to the overall picture in MR-II. The NVA has been checked in their southward push in that province but Binh Dinh's three northern-most districts remain under enemy control. The newly reconstituted 22nd Division will soon launch operations in about ten days to recapture these enemy-held areas. The local Vietnamese commanders are confident of success, but heavy fighting is expected and ARVN reinforcements may be needed to accomplish the task.

With the reopening of the Kontum Pass, all major lines of communication are now open in MR-2.

The quality of ARVN leadership is considerably lower in MR-II than MR-I and the concentration of virtually the entire RVNAF reserve in MR-I will make the process of recapturing enemy-held territory in MR-II a longer one, probably two or three months.

This situation is illustrative of ARVN's lack of sufficient mobile central reserve forces. Were they available now, the Quang Tri and Binh Dinh clearing operations could probably have been expedited.

Military Region III - All three NVA divisions operating in MR-III from their Cambodia sanctuaries have suffered serious attrition. An Loc is now secure and ARVN plans to move to recapture the border district of Loc Ninh. No serious enemy threat remains in the MR-III area, although as in the case of Hue, some sapper and artillery attacks against Saigon for psychological effect cannot be discounted.

ARVN leadership in MR-III is extremely disappointing and as a result, U.S. advisory assistance has played a comparatively larger role in containing the situation than elsewhere in the country.

The poor performances of the 21st ARVN regular infantry division in clearing Route 13 is illustrative not only of the low quality of some ARVN divisions but also of the inability of ARVN regular divisions

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to act in a mobile reserve capacity. The 21st normally serves in MR-IV and was unable to rise to the occasion when transferred north. Nevertheless, there is evidence to suggest that the ARVN's failure to open Route 13 rests not on a lack of capability but a desire to avoid the losses which this action would involve.

Military Region IV - The enemy has made limited inroads into the populated heartland of the Mekong Delta. With the transfer of nearly half the MR's regular forces northwards to MR-III in March to meet the situation at An Loc, credit for holding the line must in large measure go to the effective utilization of Mobile Regional Force battalions. The only serious control losses have been in the Southern Delta - Chong Thien Province and adjacent areas. VC/NVA forces control much of this province and is actively recruiting and collecting taxes.

The GVN has effectively held in check VC/NVA efforts to penetrate SVN/Cambodian border areas and a major ARVN offensive is underway into the Parrot's Beak with a view to reasserting control over Route 1 in Cambodia.

Cambodia - President Lon Nol of Cambodia is most anxious for renewed ARVN operations to clear Route 1 and probe deep into NVA/VC sanctuaries in northeast Cambodia. He is also anxious for U.S. B-52 strikes against Khmer base areas.

In brief, the Cambodian military situation continues to be a holding operation with FANK taking virtually no initiatives even against the indigenous Communist forces. Modest improvements in FANK training and equipment continue to be made however. The focus of U.S. efforts must continue to be the encouragement of the closest possible ARVN/FANK cooperation and the orientation of FANK towards coping with the Khmer Communists.

RVNAF STATUS

The RVNAF has largely recovered from the heavy equipment and personnel losses suffered during the first phase of the offensive. Replacements are coming out of the training camps in large numbers bringing units to the highest strength levels in several years. New equipment is arriving and units hard hit by the offensive are being retrained. Morale and confidence have improved based on the RVNAF's success in halting the NVA invasion and destroying several hundred NVA tanks.

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Nonetheless serious weaknesses remain. Several division and regimental commanders who failed to perform during the offensive have been replaced. But weak leaders remain at all levels, from military region down to the squad. Capable NCOs and young officers are now in very short supply and the GVN still refuses to commission NCO's who have proven their leadership. The GVN remains reluctant to remove inept men from command of major combat units and Provinces. It is unclear whether the U.S. mission has made an adequate effort to urge the GVN to act in cases where new leadership is clearly essential.

Equipment and Supplies -- The RVNAF logistical situation is sound. Equipment losses have largely been replaced and ammunition stocks are adequate. A heavy flow of additional material is enroute to SVN. The RVNAF supply system operated with surprising effectiveness during the offensive.

But major problems remain. The ARVN has serious shortages of some key items such as vehicle engines and tires. A crash corrective effort is underway, but it will be September before the stocks are satisfactory. These shortages compound ARVN's maintenance problems which result from the lack of experienced and skilled men.

Of greater concern, the effort directed by NSDM-168 to build equipment and supplies to planned levels by August 1 is being ignored in important instances. For example, ammunition stocks are at less than half of the 90 days objective and there are no plans to build up the inventory. There are sound logistical reasons for this policy (e.g. limited storage, danger of destruction, and reluctance to drawdown on war reserve stocks in other areas). But we run the risk of being caught short by a ceasefire.

If we believe a ceasefire may occur during the next several months, prompt action to overcome remaining supply shortfalls is essential.

Mobile Reserve Forces - The NVA offensive demonstrated the need for mobile reserves that can be deployed to high-threat areas. The general reserves - Marines, Rangers, and Airborne - were used this way, with the Airborne operating in three different MRs. For the first time a regular ARVN division was shifted from its traditional area, but its performance fell far short of the Airborne or Marines. Losses during the offensive would have been more limited and the counter-offensive could have kicked off earlier if additional mobile units had been available. Capable mobile forces would also be of great value to respond to violation should a ceasefire be agreed to.

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Two issues need to be addressed: (1) Are currently planned increases in mobile forces adequate; and (2) If not, how should the additions be made? MACV and the JCS have already addressed this issue and recommended against creating added mobile force. But our discussions convinced us that this issue needs to be addressed again.

There are good reasons to argue that we will have adequate mobile reserves next year. First the need may be less since the serious manpower shortages that weakened ARVN this year should be solved and the 3rd Division will be trained and more combat-capable. Also an enemy offensive of this year's magnitude is most unlikely. Even if a major enemy effort is made, more GVN reserves will be available:

- The program to create mobile RF battalions is moving ahead, freeing ARVN units for other missions.

- A new combined arms regiment will be created in each of the three northern MRs- built around the added M-48 tank battalions.

The most persuasive argument against creating a new mobile division is the paucity of good leaders at the junior officer and NCO level. A new unit would spread available leadership even thinner.

Nonetheless, we need to take some steps to ensure adequate mobile forces are available next year. Among the steps we should consider are:

- Creating a fourth regimental-size unit for the Airborne and Marine divisions.

- Converting one of the MR-4 divisions to a general reserve unit, perhaps merely using the officer/NCO cadre and filling it up with new recruits who would be less tied to the Delta.

- Creating a new ARVN mobile reserve unit of regimental or division size.

Regardless of what approach is followed, current efforts to make the regular ARVN divisions available for use in other areas should be expedited. These

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include programs to ensure the families are cared for and development of contingency plans to prepare and move units to likely NVA threat areas.

Personnel - As noted earlier, large numbers of new recruits are now being trained. The draft was increased late last year after the election. In the wake of the offensive an expanded recruiting effort was begun in April. It included actions to pick up draft dodgers and deserters and cut back deferments. As a result the training facilities are filled (most are well above planned capacity) and barring much heavier casualties, unit strengths will improve markedly over the next 90 days. Maneuver battalion strengths increased from 66% at the end of March to over 80% in June. Present-for-duty strength also increased but not as sharply. Continued improvement will occur in the months ahead.

The RVNAF is bumping up against the 1.1 million man ceiling set by DOD. This accounts in part for reluctance to form new units and may force a slow-down in recruiting or cuts in the PF. We believe the ceiling should be maintained and possibly reduced in the future. Also a fully adequate RVNAF can be sustained with the limit. But some flexibility is needed at least for the next six months to prevent any crimping of the current rebuilding effort.

Desertions continue to be a major problem. Heavy fighting plus the movement of units away from their families led to a sharp increase in desertions and offset the improvement resulting from last fall's pay increases and the new combat pay system.

A major future development is a joint JGC/U.S. mission effort to develop new personnel legislation. The key will be to provide a set term of service for recruits. One factor in the high desertion rate is believed to be lack of any limit on the time a man can expect to spend in a combat unit. He is now there for at least seven years unless he is killed, seriously wounded or the war ends.

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Vietnamese Air Force (VNAF) - The adequacy of the VNAF was brought into question by the massive infusion of U.S. air in recent months. VNAF capability may be significantly short in several areas:

-- Airlift - The VNAF can meet "normal" airlift needs, but during the offensive demand more than tripled, requiring heavy U.S. C-130 support.

-- Close Air Support - The VNAF flew the great majority of tactical air support missions in SVN and Cambodia over the past two years. But following the offensive and the U.S. air buildup, VNAF's contribution dropped to less than half of the in-country missions. B-52 strikes also reached unprecedented levels with most strikes in SVN or near the border.

-- Detection of Sea Infiltration - The Market Time outer barrier is currently flown entirely by U.S. Navy P-3s.

-- Air Defense - This mission is now largely fulfilled by the U.S.

No one suggested the VNAF could ever match the capability of U.S. air now in SEA. Moreover, there are serious budgetary and manpower limits that dictate that any further expansion of the VNAF be gradual and marginal missions be avoided.

Nonetheless, we believe the following steps should be taken promptly:

-- Increase pilot training both to make up the current shortfall of about 1000 pilots and to provide a hedge against new and unforeseen requirements.

-- Increase VNAF's tactical airlift capability which is needed to shift major combat units to threatened areas.

-- Defer indefinitely the planned shift of the Market Time patrol mission from the U.S. Navy to the VNAF.

-- Increase the buy of CBU-55, a fuel-air munition which provides the VNAF with a significant capability against large area targets.

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Serious questions were raised about the wisdom of moving now to give the VNAF modern, sophisticated aircraft such as the F-4s or C-130s. Unfortunately DoD has failed to address the issue carefully but a VSSG study of the VNAF has been started to examine in detail the adequacy of the VNAF. Whether modern aircraft can be provided will depend in part on the availability of excess aircraft in the U.S. inventory, as new procurement will drive the costs up to unacceptable levels. The lead-time to train pilots and maintenance personnel makes near-term increases in VNAF capability almost impossible, but preparatory actions need to be started promptly.

The Vietnamese Navy - We were unable to look at the VNN in any detail. But comments confirmed earlier reports that it has serious deficiencies in leadership, motivation and equipment maintenance. Little near-term improvement is expected. For reasons perhaps beyond our control, this aspect of Vietnamization has been most disappointing.

U.S. TROOP LEVELS

General Weyand accepts the 10,000 man withdrawal and believes its impact will be limited. The reduction appears to be wisely planned, minimizing the impact on the critical areas of tactical air support, the advisory effort, and intelligence. The Table below summarizes the tentative MACV plans for September 1.

U.S. Troops in SVN

	<u>July 1</u>	<u>Sept 1</u>	<u>% Reduction</u>
Command and Control	2,050	1,800	12%
Advisors	6,150	5,850	5%
Intelligence	5,050	4,500	10%
Communication	3,000	2,800	6%
Logistic	16,700	13,200	19%
Security*	10,300	6,300	40%
Army Aviation	<u>5,750</u>	<u>4,500</u>	<u>23%</u>
Total	49,000	39,000	20%

* Includes all combat and Tac Air support units.

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The next withdrawal will be crucial as we are nearing reasonable minimum levels for the advisory effort, intelligence and Army aviation. The requirement to direct the air war and support to ROK's also add substantial numbers of troops. Therefore early broad guidance would be of great value to ensure our residual capability is maximized. We also soon need to address the issue of whether we should urge the Koreans to leave both divisions in SVN next year.

POLITICAL SITUATION

South Vietnam's anti-Communist political fabric has weathered the initial shock of the offensive and the country's administrative apparatus is intact and has performed well in handling refugees and avoiding serious economic dislocations.

Thieu, though innately a cautious man, has acted decisively in a number of areas: mobilization, emergency economic measures and replacement of at least a few of his more incompetent military commanders.

Thieu has accomplished these measures with a minimum of public complaint and no indication of dissatisfaction amongst his generals. This is clearly a testimony to the seriousness with which the Vietnamese perceived their predicament as well as to Thieu's own growing stature as a national leader. In retrospect, it is doubtful that the political alternatives to Thieu in the summer of 1971, Ky and Minh, could have ever managed their country through its present crisis had either been elected.

On the negotiating front, there is considerable sentiment that Hanoi cannot continue the fight much longer and may soon agree to serious negotiations. There is uncertainty as to what specific terms Hanoi may hold out and a predictable anxiety that the United States might negotiate political concessions which do not correspond to the allies' currently favorable military position.

Thieu probably spoke for many Vietnamese nationalists when he told newsmen on July 1 that his country would never accept a ceasefire until the NVA have withdrawn. Thieu's remarks were obviously directed at us and designed to meet widespread speculation that a ceasefire may be in the offing.

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The Vietnamese are nonetheless tired of the war; their casualties have been staggering; and even the most aggressive of their military commanders look forward to a period of respite from the fighting. For them the issue is whether this respite will occur by the war simply fading away or through a formal negotiated agreement. Many believe it will be the former.

ECONOMIC SITUATION

The economic situation remains basically sound and major problems should be avoidable. The areas directly affected by the offensive produce only a small part of national output, but the offensive weakened confidence and thus slowed economic activity, particularly in urban areas. Prices rose very little and foreign exchange and gold rates actually fell.

A mild recession was underway before the offensive, caused by economic reforms and falling U.S. economic support. The recession became severe in a few areas during May and June. The GVN responded well in arranging credit for affected industries. The recession has now bottomed out and sales and production are increasing in most areas. Even at its severest point the recession affected less than 10 percent of the economy.

The return of investor confidence will be slower and will depend heavily on security and political developments. The GVN and U.S. Mission are developing plans to accelerate reconstruction to spur confidence and to keep the construction industry employed until the faith of private investors is restored.

Reconstruction, refugees, and larger military expenditures will greatly increase the GVN budget deficit despite the GVN's imposition of substantial additional taxes. This will lead to serious inflation by early 1973 unless sufficient U.S. economic assistance is available. A cut of \$75-100 million from the \$585 million FY-73 supporting assistance request for Vietnam would be tight but manageable, because of the additional DoD economic support already being planned. But current readings suggest Congress will cut considerably more than \$100 million from requested Vietnam supporting assistance. This would cause serious problems.

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CAMBODIA

The future of Cambodia depends heavily on Hanoi. Although FANK capability is increasing, it is no match for the NVA/VC should the enemy choose to turn his efforts west instead of east.

Thus far there are no signs of increased enemy attention to Cambodia. But Thieu told me he believes the enemy will seek the spectacular he has been denied in SVN in Cambodia. Lon Nol's similar concerns are probably behind his request to me for a major expansion of B-52 strikes in Cambodia as NVA/VC forces pull back from SVN.

Military Situation and Prospects -- NVN objectives in Cambodia will probably remain:

- harassment to preempt FANK offensive action,
- security of NVA LOCs and base areas,
- expansion of Khmer Communist (KC) forces and infrastructure.

Since April NVA/VC units have driven FANK out of large areas close to the SVN border which are crucial to enemy activity in SVN. Small unit harassment, largely by KC forces, has successfully kept FANK on the defensive during this period when the GKR was concentrating on political activity and the NVA/VC on Vietnam.

KC strength has grown to as much as 40,000, but the GKR is just beginning to recognize the threat, mainly because of our prodding. The FANK has done virtually nothing to counter the KC threat. It has also avoided action against the NVA/VC which the Cambodians believe must be dealt with principally by ARVN, US air, or a settlement imposed by the great powers.

Enemy action during the rest of 1972 will probably be confined to economy-of-force harassment such as sapper acts and attacks by fire on towns. But we cannot rule out the possibility that if its objectives in Vietnam are frustrated, with an eye on the November US elections, Hanoi might use one to three divisions to defeat FANK decisively and move against Phnom Penh. Should this happen, strong and prompt ARVN help will be essential.

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FANK actions will likely continue to be defensive, centering on the security of Phnom Penh and maintaining essential lines of communication. But we have planted seeds for increased joint operations with ARVN and stressed the need to regain control of the countryside which is now an enemy recruitment and taxation base. We need to make sure our people in both Phnom Penh and Saigon follow up.

FANK Assessment - MAP equipment is just beginning to arrive in volume. Deliveries for the Army during the last two months match deliveries during the previous 12 months. However, severe shortages of experienced officers and NCOs preclude rapid improvement in FANK effectiveness. The absence of advisors limits the opportunity for learning on the job. Moreover, the GKR seldom relieves incompetent commanders or rewards good performance. FANK also suffers from serious weakness in its recruitment, payroll, and personnel accounting systems.

Future development of FANK effectiveness and aggressiveness thus depends as much on political developments and their impact on military command as on the more predictable increases in equipment, training, and logistic capability.

Political Situation - Because of increasing war weariness, more apparent corruption in Lon Nol's entourage and the growing realization that Lon Nol, who dominates political life, has health problems, political activity and instability have increased dramatically during the past six months. There are no major ideological differences among the half dozen or so leading political figures. All would deal with the U.S. in a manner almost identical with Lon Nol.

The most serious development has been the departure from the government of Sirik Matak who had done a good job of running most of the government for Lon Nol. Matak is now establishing his own political party, preparing to struggle for control should Lon Nol die. With Congressional elections in September attention will unfortunately continue to be diverted from the military problems and the deteriorating situation in the countryside.

ECONOMIC SITUATION

The economic situation had not previously been a major problem. The reasons are:

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- The Cambodians had a strong economic team in the Ministry;
- The Cambodians had substantial foreign exchange reserves and stocks of imported goods.

These advantages have now been lost. Key economic officials have left the Government, and the New Minister of Commerce (the President's doctor) is reversing the sound foreign exchange and monetary policies implemented in 1971. Stocks and foreign exchange reserves have now been reduced to minimal levels. There is a growing realization that Cambodia cannot wait until the end of the war to restore industrial and export production.

We need a stronger economic team in the Mission to guide the GKR toward desirable policies. We also need to reconsider our policy of limiting our assistance to financing the import of a small number of essentials and instead help the GKR restore and eventually expand production. Given the deteriorating economic situation, Cambodian stability will be threatened if we keep our economic assistance at the minimal level of the past two years. Cambodia requires at least the \$75 million of supporting assistance requested for FY-73 and probably needs more.

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